

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. CROIX**

UNITED STATES OF AMERICA)	
)	
Plaintiff,)	
)	
v.)	Civ. A. No. 1:21-cv-00264 (WAL/GWC)
)	
LIMETREE BAY REFINING, LLC)	
)	
and)	
)	
LIMETREE BAY TERMINALS, LLC)	
)	
Defendants.)	
)	

FIFTH JOINT STATUS REPORT

Plaintiff the United States of America (United States) and defendant Limetree Bay Terminals, LLC (collectively the “Parties”) hereby submit the following Fifth Joint Status Report.¹

On July 12, 2021, the United States, acting at the request of the Administrator of the United States Environmental Protection Agency (EPA), filed a Complaint (Dkt. #2) against defendants Limetree Bay Refining, LLC and Limetree Bay Terminals, LLC (collectively, “Limetree Bay”) under Section 303 of the Clean Air Act (CAA), 42 U.S.C. § 7603.

Simultaneously with the filing of the Complaint, the United States filed an Unopposed Motion to Stay All Deadlines (Dkt. #3) and a Joint Stipulation (Dkt. #4). As part of the Joint Stipulation, the Parties agreed to provide a Joint Status Report to the Court sixty days after the

¹ Defendant Limetree Bay Refining, LLC is not joining in this Fifth Joint Status Report because it ceased to exist on June 10, 2022.

date of filing of the Joint Stipulation.

On September 10, 2021, the Parties submitted a Joint Status Report (Dkt. # 5) and filed a Motion to Stay All Deadlines (Dkt. # 6) until December 10, 2021. On September 10, 2021, the Court granted the Order approving the stay of all deadlines and proceedings (Dkt. # 7). Pursuant to the Order, the Parties were required to provide a Second Joint Status Report to the Court no later than November 12, 2021.

On November 12, 2021, the Parties submitted a Second Joint Status Report (Dkt. # 8). On December 9, 2021, the Parties filed a Second Joint Motion to Stay All Deadlines (Dkt. # 9) until February 21, 2022. On December 10, 2021, the Court granted the Order approving the stay of all deadlines and proceedings until February 21, 2022 and requiring the Parties to file a Third Joint Status Report no later than January 21, 2022.

On January 21, 2022, the Parties submitted a Third Joint Status Report (Dkt. # 11). On February 18, 2022, the Parties filed a Third Joint Motion to Stay All Deadlines (Dkt. # 12) until May 20, 2022. On February 18, 2022, the Court granted the Order approving the stay of all deadlines and proceedings until May 20, 2022 and requiring the Parties to File a Fourth Joint Status Report not later than April 20, 2022.

On April 20, 2022, the Parties submitted a Fourth Joint Status Report (Dkt. # 14). On May 23, 2022, the Parties filed a Fourth Joint Motion to Stay All Deadlines (Dkt. # 16) until August 22, 2022. On May 26, 2022, the Court granted the Order approving the stay of all deadlines and proceedings until August 22, 2022, and requiring the Parties to file a Fifth Joint Status Report no later than July 22, 2022.

WHEREFORE, the Parties provide the below Fifth Joint Status Report to the Court:

Refinery Process Status

1. The petroleum process units at the Refinery (Refinery Process Units) that were operated by Limetree Bay Refining, LLC remain idled.
2. The terminal operations operated by Limetree Bay Terminals, LLC remain in operation.

Limetree Bay Refining, LLC Bankruptcy

3. On July 12, 2021, Limetree Bay Refining, LLC and certain related entities (but not Limetree Bay Terminals, LLC) filed for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. (Case No. 21-32354, jointly administered with lead case 21-32351).
4. On August 11, 2021, the Bankruptcy Court issued an *Order Granting Debtors' EMERGENCY Motion for Entry of Order: (I) Establishing Bidding and Sale Procedures; (II) Approving the Sale of Assets; and (III) Granted Related Relief* (Sale Order) (Case No. 21-32351, ECF Doc. 392) approving the bidding and sale procedures of substantially all assets of the Debtors. The Sale Order set deadlines for the sales process.
5. On September 10, 2021, Debtors filed an *Emergency Motion to Amend Milestones and Bid Procedures Deadlines* (Case No. 21-32351, ECF. Doc. 565).
6. On September 15, 2021, the Bankruptcy Court issued an Order granting *Debtors' Emergency Motion to Amend Milestones and Bid Procedures Deadlines* (Case No. 21-32351, ECF. Doc. 583). The Order revised many of the sales process deadlines initially set by the Sale Order.
7. Between October 28, 2021 and December 16, 2021, Debtors filed a *Notice of Extension of Milestones and Bid Procedures Deadlines* (Case No. 21-32351, ECF Doc. 696), *Second Notice of Extension of Milestones and Bid Procedures Deadlines* (ECF Doc. 749), *Third Notice*

of Extension of Milestones and Bid Procedures Deadlines (ECF Doc. 761), *Fourth Notice of Extension of Milestones and Bid Procedures Deadlines* (ECF Doc. 799), *Fifth Notice of Extension of Milestones and Bid Procedures Deadlines* (ECF No. 819), *Notice of (I) Designation of Winning Bid and Back-Up Bids and (II) Sixth Notice of Extension of Milestones and Bid Procedures Deadlines* (ECF Doc. 829), and *Seventh Notice of Extension of Milestones and Bid Procedures Deadlines* (ECF Doc. 935), which provided details of the Bidding Procedures deadlines, including the auction date and close sale hearing.

8. The initial auction was held on November 18, 2021, but was reopened on December 17, 2021.

9. On December 18, 2021, the Debtors filed the *Notice of Designation of Winning Bid and Back-up Bid* (Case No. 21-32351, ECF Doc. 948).

10. On December 21, 2021, the Sale Hearing was held and the Bankruptcy Court issued an *Order (I) Authorizing the Sale of All or Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, (II) Authorizing the Debtors to Perform Under the Asset Purchase Agreement, (III) Approving Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* (Case No. 32351, ECF 977) ("Sale Order"). The Sale Order requires, *inter alia*, the following:

- The winning bidder has until January 21, 2022 to close the sale transaction;
- If the winning bidder does not close the sale transaction, the back-up bidder has until January 26, 2022 to close the sale transaction; and
- The Purchaser must become party to, *inter alia*, the Joint Stipulation in United States v. Limetree Bay Refining, LLC, and Limetree Bay Terminals, LLC, Case No. 1:21-cv-00264.

11. West Indies Petroleum Limited and Port Hamilton Refining and Transportation, LLLP are identified as the Purchaser in the Sale Order (including the Asset Purchase Agreement attached as Exhibit 1 of the Sale Order).
12. The sale transaction closed on January 21, 2022 and Purchaser took possession of all or substantially all of the Debtors' assets (Case No. 21-32351, ECF Doc. 1112).
13. On April 4, 2022, Debtors filed a *Combined Disclosure Statement and Chapter 11 Plan of Liquidation of Limetree Bay Services, LLC and Affiliated Debtors* ("Combined Disclosure Statement and Plan"). (Case No. 21-32351, ECF Doc. 1252).
14. On April 6, 2022, the Bankruptcy Court conditionally approved the Disclosure Statement for solicitation of votes on the Combined Disclosure Statement and Plan (Case No. 21-32351, ECF Doc. 1261).
15. On April 14, Debtors filed a *Notice of Filing Solicitation Materials and Combined Disclosure Statement and Chapter 11 Plan of Liquidation of Limetree Bay Services, LLC and Affiliated Debtors*. The Combined Disclosure Statement and Plan was attached as Exhibit A (Case No. 21-32351, ECF Doc. 1273 and 1273-1).
16. Article VII.B of the Combined Disclosure Statement and Plan states that the Purchaser means West Indies Petroleum Limited and Port Hamilton Refining and Transportation, LLLP, collectively (Case No. 21-32351, ECF Doc. 1273-1).
17. Article VII.B of the Combined Disclosure Statement and Plan provides that the Purchaser may elect to reorganize Limetree Bay Refining, LLC "as a Transition Refinery Entity and issue 100% of its stock (the "**New Common Stock**") to the Purchaser." (emphasis in original) (ECF Doc. 1273, Article VIII.B).
18. On April 15, 2022, the Purchaser filed a notice of its election under Article VIII.B of the

Combined Disclosure Statement and Plan to reorganize as the Transition Refinery Entity. (Case No. 21-32351, ECF Doc. 1276).

19. On May 16, 2021, the Debtors filed a proposed Combined Disclosure Statement and Chapter 11 Plan of Liquidation of Limetree Bay Services, LLC and Affiliated Debtors, which revised previous filed versions of the Plan (Case No. 21-32351, ECF Doc. 1404-5).

20. On May 18, 2022, the Bankruptcy Court held a Confirmation Hearing to consider the final approval and confirmation of the Combined Disclosure Statement and Chapter 11 Plan of Liquidation of Limetree Bay Services, LLC and Affiliated Debtors (as amended, supplemented, or otherwise modified, including an amended version of the Confirmation Plan (Case No. 21-32351, ECF Doc. 1413-1)).

21. On May 20, 2022, a hearing was held on the final form of the *Order Approving Disclosure Statement on Final Basis and Confirming Chapter 11 Plan of Liquidation of Limetree Bay Services, LLC and Affiliated Debtors* (“Plan Confirmation Order”). After the conclusion of the hearing the Court approved the Plan Confirmation Order (Case No. 21-32351, ECF Doc. 1454)

22. Paragraph 31 of the Plan Confirmation Order requires, inter alia, that the Transition Refinery Entity “shall be fully bound by the provisions of” the Joint Stipulation and “shall cooperate in the substitution of the Transition Refinery Entity as a named defendant” in the Joint Stipulation.

23. Exhibit A to the Plan Confirmation Order is the *Combined Disclosure Statement and Chapter 11 Plan of Liquidation of Limetree Bay Services, LLC and Affiliated Debtors* date May 17, 2022. Article VIII.B of Exhibit A provides that “On the Effective Date , . . LBR shall reorganize as the Transition Refinery and issue 100% of its membership Interests (the “**New**

Interests”) to the Purchaser.” (Case No. 21-32351, ECF Doc. 1454).

24. On June 10, 2022, the Debtors filed a *Notice Of Occurrence of Effective Date* to notify that the Effective Date of the Plan and Disclosure Statement occurred on June 10, 2022. (Case No. 21-32351, ECF Doc. 1511).

25. Limetree Bay Refining, LLC ceased to exist as of the Effective Date.

26. The Parties to the Joint Stipulation have begun discussing a modification to the Joint Stipulation to reflect the changes in ownership of the Refinery and the requirements of the Bankruptcy Court.

Compliance with Joint Stipulation

27. During the period covered by this Fifth Joint Status Report (January 21, 2022 – July 22, 2022), the remaining steps of Limetree Bays’ Phase 2 Plan remain on hold.

28. Since the sale closed on January 21, 2022, the Purchaser has continued to operate the five sulfur dioxide (SO₂) and five hydrogen sulfide (H₂S) ambient air monitors and provide to EPA with real time access to the air monitoring data.

Respectfully Submitted,

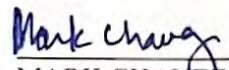
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Date: July 27, 2022

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 With Consent
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CERTIFICATE OF SERVICE

The undersigned certifies that on July 27, 2022, he filed the *FIFTH JOINT STATUS REPORT* electronically with the Clerk of Court using the CM/ECF system, which will send notifications of this filing to all who have made appearances.

The undersigned further certifies that the foregoing *FIFTH JOINT STATUS REPORT* will be served on counsel for the Limetree Bay Refining, LLC, Limetree Bay Terminals, LLC, West Indies Petroleum Limited, and Port Hamilton Refining and Transportation, LLLP by electronic mail:

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